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EXTRAORDINARY

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LOK SABHA

The following Bills were introduced in Lok Sabha on the 27th April, 1959:—

BILL No. 35 OF 1959

A Bill further to amend the Road Transport Corporations Act, 1950.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. This Act may be called the Road Transport Corporations (Amendment) Act, 1959. Short title.

64 of 1950. 5 2. Section 6 of the Road Transport Corporations Act, 1950 (hereinafter referred to as the principal Act) shall be re-numbered as sub-section (1) thereof and after the sub-section as so re-numbered, the following sub-section shall be inserted, namely:— Amendment of section 6.

10 “(2) Nothing in clause (d) of sub-section (1) shall be deemed to disqualify the Chief Executive Officer or General Manager of a Corporation for being chosen as, or for being, a member thereof.”.

15 3. In clause (c) of section 12 of the principal Act, after the words “General Manager”, the words “or any other officer of the Corporation” shall be inserted. Amendment of section 12.

4. In sub-section (1) of section 19 of the principal Act, after clause (c), the following clauses shall be inserted, namely:— Amendment of section 19.

20 “(d) to authorise the issue of passes to its employees and other persons either free of cost or at concessional rates and on such conditions as it may deem fit to impose;

(e) to authorise the grant of refund in respect of unused tickets and concessional passes.”.

Amendment
of section 26.

5. Section 26 of the principal Act shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

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“(2) With the previous approval of the State Government and the Central Government, a Corporation may also borrow money in the open market for the purpose of meeting any expenditure of a capital nature.”.

Amendment
of section 30.

6. In section 30 of the principal Act, for the words “and the balance shall be made over to the State Government for the purpose of road development”, the following shall be substituted, namely:—

“and out of the balance such amount as may, with the previous approval of the State Government and the Central Government, be specified in this behalf by the Corporation, may be utilised for financing the expansion programmes of the Corporation and the remainder, if any, shall be made over to the State Government for the purpose of road development”.

Amendment
of section 32.

7. In sub-section (3) of section 32 of the principal Act, for the words “A Corporation may sanction”, the words “Subject to such conditions and restrictions as may be specified in this behalf by the State Government, a Corporation may sanction” shall be substituted.

Substitution
of section 33.

8. For section 33 of the principal Act, the following section shall be substituted, namely:—

Accounts
and Audit.

“33. (1) The Corporation shall maintain proper accounts and other records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed by the State Government in consultation with the Comptroller and Auditor-General of India.

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(2) The accounts of a Corporation shall be audited annually by the Comptroller and Auditor-General of India or his nominee and any expenditure incurred by him in connection with such audit shall be payable by the Corporation to the Comptroller and Auditor-General of India.

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(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of a Corporation shall have the same rights, privileges and authority in connection with such audit as the Comptroller

and Auditor-General of India has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Corporation.

(4) The accounts of the Corporation as certified by the Comptroller and Auditor-General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the State Government; and that Government shall cause the same to be laid before the Legislature of the State."

9. In section 35 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— Amendment of section 35.

"(3) The State Government shall cause the annual report referred to in sub-section (2) to be laid before the Legislature of the State."

10. In section 37 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— Amendment of section 37.

"(3) Every notification issued under this section together with a report on the circumstances leading to its issue shall be laid before the Legislature of the State, as soon as may be, after it is issued."

11. Section 41 of the principal Act shall be omitted.

Omission of section 41.

12. In sub-section (2) of section 44 of the principal Act,—

Amendment of section 44.

(a) for clause (j), the following clause shall be substituted, namely:—

"(i) the form in which the annual statement of accounts shall be prepared;" and

(b) clause (k) shall be omitted.

13. In sub-section (2) of section 45 of the principal Act, after clause (c), the following clauses shall be inserted, namely:— Amendment of section 45.

"(d) the issue of passes to the employees of the Corporation and other persons under section 19;

(e) the grant of refund in respect of unused tickets and concessional passes under section 19."

STATEMENT OF OBJECTS AND REASONS

The Road Transport Corporations Act, 1950 (64 of 1950) was enacted to enable the State Governments to set up road transport corporations with the object of providing an efficient, adequate, economical and co-ordinated system of road transport services. Certain difficulties have been experienced by the Corporations set up under this Act in the efficient discharge of their functions. The Bill aims at removing these difficulties.

2. Some of the important amendments proposed in the Bill are as follows:—

(i) In view of the all round expanding economy of the country, Road Transport Corporations like other organisations require additional capital for their development projects. Since the State and Central Governments are not always in a position to meet the increased financial requirements of these Corporations, section 26 of the Act is being amended so as to authorise the Corporations to borrow money in open market for meeting expenditure of a capital nature also.

(ii) Section 30 of the Act is being amended to enable the Corporations to utilize their profits also for financing their expansion programmes with the approval of the Central and State Governments.

(iii) Under section 33, the accounts of a Corporation are to be audited by an auditor appointed by the State Government. There is no obligation on the part of the State Governments to get their accounts audited by the Comptroller and Auditor-General of India. Since the Central Government has financial interest in the Corporations set up under the Act, it is considered desirable that the accounts of the Corporations are audited by the Comptroller and Auditor-General. Section 33 is being suitably amended to achieve this object.

RAJ BAHADUR.

NEW DELHI;

The 22nd April, 1959.

*BILL NO. 36 OF 1959

A Bill further to amend the Reserve Bank of India Act, 1934.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows :—

1. This Act may be called the Reserve Bank of India (Amendment) Act, 1959. Short title.

5 2. After section 28 of the Reserve Bank of India Act, 1934, the following section shall be inserted, namely:— Insertion of new section 28A in Act 2 of 1934.

10 “28A. (1) For the purpose of controlling the circulation of bank notes without India, the Bank may, notwithstanding anything contained in any other provision of this Act, issue bank notes of such design, form and material as may be approved under sub-section (3) (hereinafter in this section referred to as special bank notes) of the denominational values of five rupees, ten rupees and one hundred rupees. Issue of special bank notes and special one rupee notes in certain cases.

15 (2) For the purpose of controlling the circulation of Government of India one rupee notes without India, the Central Government may, notwithstanding anything contained in any other provision of this Act or in the Currency Ordinance, 1949, issue Government of India notes of the denominational value of

10 1940.

*The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

one rupee of such design, form and material as may be adopted under sub-section (3) (hereinafter in this section referred to as special one rupee notes).

(3) The design, form and material of the special bank notes shall be such as may be approved by the Central Government 5 after consideration of the recommendations made by the Governor and of the special one rupee notes shall be such as the Central Government may think fit to adopt.

(4) Neither the special bank notes nor the special one rupee notes shall be legal tender in India. 10

(5) The special one rupee note shall be deemed to be included in the expression "rupee coin" for all the purposes of this Act except section 39, but shall be deemed not to be a currency note for any of the purposes of this Act.

(6) Where a special bank note is on its face expressed to 15 be payable at a specified office or branch of the Bank, the obligation imposed by section 39 shall be only on the specified office or branch and, further, shall be subject to such regulations as may be made under this section.

(7) The Bank may, with the previous sanction of the Central 20 Government, make regulations to provide for all matters for which provision is necessary or convenient for the purpose of giving effect to the provisions of this section, and, in particular, the manner in which, and the conditions or limitations subject to which—

(i) bank notes and one rupee notes in circulation in any country outside India may be replaced by special notes issued under this section;

(ii) any such special notes may be exchanged for any other bank notes or one rupee notes. 30

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to amend the Reserve Bank of India Act, 1934, to enable the Reserve Bank of India to issue special bank notes which will not be legal tender in India but which otherwise be in the same position as other bank notes and similarly to enable the Government of India to issue special one rupee notes. The issue of these notes has been found necessary for the purpose of controlling the circulation of Reserve Bank of India notes and Government of India one rupee notes without India. The Bill authorises the issue of the special notes and provides for the Reserve Bank, with the previous sanction of the Central Government, making the necessary regulations for the purpose of giving effect to the provisions of the Bill.

MORARJI DESAI

NEW DELHI;

The 24th April, 1959.

FINANCIAL MEMORANDUM

The Bill provides for the issue of special one rupee notes of the Government of India and special bank notes by the Reserve Bank of India. The cost of printing the bank notes is borne by the Reserve Bank while the Government of India bear the cost of printing the rupee notes. The expenditure on the printing of the initial supply of one rupee notes is estimated at Rs. 2,70,000.

MEMORANDUM REGARDING DELEGATED
LEGISLATION

The object of this amendment being the control of the circulation of bank notes outside India, regulations may be necessary to provide for the manner in which and the conditions or limitations subject to which bank notes and one rupee notes in circulation outside India may be replaced by the special notes which will not be legal tender in India. Provision may also be necessary for exchange of special notes for other bank notes, for exchange of mutilated special notes by new notes and the like. The regulation-making power is thus of a normal character.

M. N. KAUL,
Secretary.

